

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. TF-99-269
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ORDER APPROVING TARIFF FILING AS PILOT PROJECT

(Issued October 11, 1999)

On September 10, 1999, MidAmerican Energy Company (MidAmerican) filed with the Utilities Board (Board) a proposed Optional Off Peak Firm Service Rider, identified as TF-99-269. On October 7, 1999, MidAmerican withdrew the original tariff filing and filed a second tariff proposed as a three-year pilot project. This second tariff filing retained the same tariff number, TF-99-269. MidAmerican stated the tariff was revised after discussions with the Consumer Advocate Division of the Department of Justice (Consumer Advocate).

The proposed tariff would allow some customers to elect to take service on a firm basis for part of the year and an interruptible basis for part of the year. It would be offered as an option to MidAmerican's small and large volume interruptible customers. It would allow customers that use MidAmerican's system primarily on a seasonal basis, such as grain driers or asphalt pavers, to have firm gas supply during the period of April through November, which is the off peak period for the majority of MidAmerican's other customers. During the rest of the year, which is the

peak period for most other customers, these customers' service would be on an interruptible basis.

MidAmerican stated the optional tariff would operate as a surcharge rider. The surcharge rider is calculated based on the market index prices for release of interstate pipeline transport capacity during off peak periods and would be included as part of the interruptible purchased gas adjustment (PGA) factor. The cost of maintaining this incremental capacity during the off peak period would be charged over the customer's annual usage since the cost of obtaining the incremental capacity would be spread over their annual usage. MidAmerican stated any costs recovered through this rider would be returned to all customers during the annual PGA reconciliation.

The Board will approve the tariff as a three-year pilot project. It appears to be a reasonable way to alleviate a problem for the small number of affected customers. These customers will be offered the opportunity to have firm service during the off-peak period when they need firm service and interruptible service during the peak period that they do not need firm service. The Board will require MidAmerican to provide an annual evaluation of usage on the surcharge rider. MidAmerican stated it would send a letter to small and large volume interruptible customers notifying them of the proposed new service option. MidAmerican will notify customers annually for the remainder of the term of the pilot project.

IT IS THEREFORE ORDERED:

1. The pilot project is approved for a period of three years beginning the date of this order. The accompanying tariff, identified as TF-99-269, is approved, subject to complaint or investigation.

2. MidAmerican shall file with the Board on or before February 1 of each of the next three years, a report describing the activity on the surcharge rider.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 11th day of October, 1999.